

**Morehouse Parish School Board
Bastrop, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2012**

Morehouse Parish School Board
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Independent Auditors' Report

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Morehouse Parish School Board as of and for the year ended June 30, 2012, which collectively comprise the School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

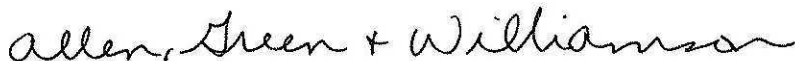
In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 11, 2013, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Required Supplementary Information Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress for Other Post Employment Benefits, and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morehouse Parish School Board's financial statements. The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the financial statements as a whole.

Other Information Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 11, 2013

REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2012

Our discussion and analysis of Morehouse Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

Total revenues of the governmental activities increased \$326,647 for the year ended June 30, 2012 due mainly to an increase in the MFP which was offset by decreases in investment income and decreases in miscellaneous revenue (specifically Medicaid reimbursements and one-time refunds).

Operating grants increased by \$367,110, and the state minimum foundation funding increased \$806,628. The increase in operating grants is due primarily to the depletion of one-time grants and continuing grants which were awarded at lower amounts due to economical situations in the state and federal government.

Governmental activities expenses decreased by \$905,514 from the prior year. The decrease was mainly due to a decrease in food service costs stemming from cutting back on full time employees in food service as well as fewer dollars spent in the special education area due to the depletion of the IDEA ARRA funding.

ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund, Title I, and Debt Service Fund. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2012**

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic Financial Statements

Required Supplementary Information

**Schedule of Funding Progress
Budgetary Information for Major Funds**

Supplementary Information

**Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members**

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2012

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Assets and Statement of Activities report the following activity for the School Board:

Governmental activities - all of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the school lunch) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2012

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were (\$5,217,155) at June 30, 2012. Of this amount \$(16,385,966) was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Net Assets
June 30, 2012

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
Current and other assets	\$10,351,013	\$10,520,862	\$ (169,849)
Capital assets	<u>24,246,632</u>	<u>25,411,630</u>	<u>(1,164,998)</u>
Total assets	<u>34,597,645</u>	<u>35,932,492</u>	<u>(1,334,847)</u>
Current and other liabilities	4,039,952	4,151,992	(112,040)
Long-term liabilities	<u>35,774,848</u>	<u>31,157,912</u>	<u>4,616,936</u>
Total liabilities	<u>39,814,800</u>	<u>35,309,904</u>	<u>4,504,896</u>
Net assets			
Invested in capital assets, net of debt	7,789,622	8,727,618	(937,996)
Restricted	3,379,189	2,780,244	598,945
Unrestricted	<u>(16,385,966)</u>	<u>(10,885,274)</u>	<u>(5,500,692)</u>
Total net assets	<u><u>\$ (5,217,155)</u></u>	<u><u>\$ 622,588</u></u>	<u><u>\$ (5,839,743)</u></u>

The (\$16,385,966) in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. The net assets of the School Board decreased by \$5,839,743.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2012

Table 2
Changes in Net Assets
For the Year Ended June 30, 2012
Governmental Activities

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
Net Assets - beginning	\$ 622,588	\$ 7,694,492	\$ (7,071,904)
Revenues:			
Program revenues			
Charges for services	166,083	133,403	32,680
Operating grants and contributions	11,345,696	11,661,386	(315,690)
Capital Grant & Contributions	-	-	-
General Revenues			
Ad valorem taxes	6,271,507	6,172,330	99,177
Sales taxes	5,912,154	5,791,569	120,585
State equalization	27,638,092	26,831,464	806,628
Other general revenues	990,162	1,406,895	(416,733)
Total revenues	<u>52,323,694</u>	<u>51,997,047</u>	<u>326,647</u>
Functions/Program Expenses:			
Instruction			
Regular programs	22,084,849	22,050,581	34,268
Special programs	5,244,718	5,863,924	(619,206)
Other instructional programs	6,182,201	6,941,567	(759,366)
Support services			
Student services	3,136,614	2,967,627	168,987
Instructional staff support	4,493,105	4,393,425	99,680
General administration	1,345,025	992,975	352,050
School administration	3,020,657	2,805,592	215,065
Business services	838,973	837,245	1,728
Plant services	3,769,524	3,760,508	9,016
Student transportation services	3,281,779	3,123,422	158,357
Central services	953,048	1,106,247	(153,199)
Food Services	2,852,327	3,242,366	(390,039)
Community Service Programs	-	400	(400)
Interest on long-term debt	960,617	983,072	(22,455)
Total expenses	<u>58,163,437</u>	<u>59,068,951</u>	<u>(905,514)</u>
Increase (decrease) in net assets	<u>(5,839,743)</u>	<u>(7,071,904)</u>	<u>1,232,161</u>
Net Assets - ending	<u>\$ (5,217,155)</u>	<u>\$ 622,588</u>	<u>\$ (5,839,743)</u>

Governmental Activities As reported in the Statement of Activities, the cost of all governmental activities this year was \$58,163,437. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$12,183,661 because some of the cost was paid by those who benefited from the programs \$166,083 or by other governments and organizations who subsidized certain programs with grants and contributions \$11,345,696. The School Board paid for the remaining amount of \$34,467,997 with \$27,638,092 in Minimum Foundation Program funds, \$990,162 in other revenues such as interest, Education Jobs Fund Grant and other local sources and the remainder was paid from beginning net assets.

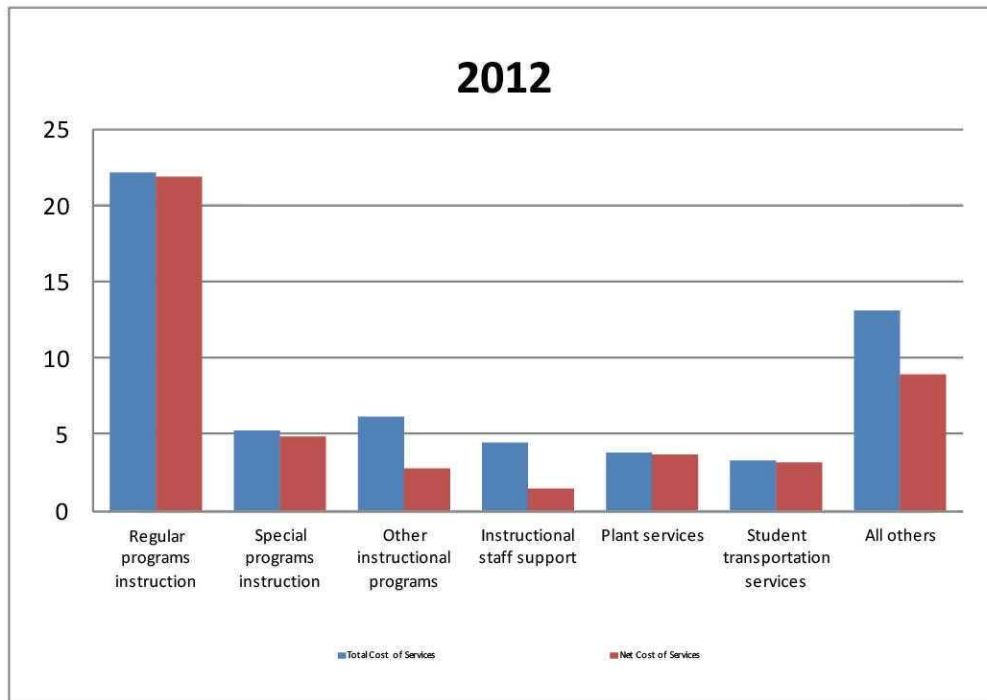
Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2012

In the table below we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, instructional staff support, plant services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

For the Years Ended June 30,
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Regular programs instruction	\$22,084,849	\$ 22,050,581	\$ 21,903,675	\$ 21,325,138
Special programs instruction	5,244,718	5,863,924	4,777,917	5,003,194
Other instructional programs	6,182,201	6,941,567	2,714,517	3,764,548
Instructional staff support	4,493,105	4,393,425	1,530,239	1,678,922
Plant services	3,769,524	3,760,508	3,736,053	3,759,974
Student transportation services	3,281,779	3,123,422	3,239,532	3,100,266
All others	13,107,261	12,935,524	8,749,725	8,642,120
Totals	<u>\$58,163,437</u>	<u>\$ 59,068,951</u>	<u>\$ 46,651,658</u>	<u>\$ 47,274,162</u>

Total Cost of Services versus Net Cost of Services
(in millions)



Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2012

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

The fund balance of the general fund decreased \$1,000,709 due mainly to additional expenses incurred for summer school, cost of equipment purchases and repairs, increases in retirement rates and group benefit rates, and the completion of construction projects.

The debt service fund balance increased \$108,204 due mainly to a slight increase in the amounts received for ad valorem taxes for the year.

Title I fund is a cost reimbursement fund.

Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.)

Changes between the original and final budget were mainly due to adjustments made for construction projects, increases for maintenance services and the increased cost of insurance and retirement as well as termination pay for a number of employees.

The General Fund's actual revenues were only \$5,135 more than projected budgeted revenue amounts, which is not a material difference.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2012, the School Board had \$24,246,632 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of \$1,164,998 or approximately 4.5%, from last year. For further detailed information, please refer to Notes to the Financials (Note 6).

Capital Assets at June 30,

	<u>2012</u>	<u>2011</u>
Land	\$ 319,013	\$ 319,013
Construction and Progress	-	696,351
Buildings	21,505,453	21,432,842
Furniture and Equipment	2,422,166	2,963,424
Totals	<u>\$ 24,246,632</u>	<u>\$ 25,411,630</u>

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2012

DEBT ADMINISTRATION At June 30, 2012, the School Board had \$40,000 in Certificates of Indebtedness maturing on March 1, 2014 with an interest rate of .1-5% percent. General obligations bonds, Series 2003 have a balance of \$315,000 and are callable on March 1, 2013 with an interest rate of 3.85-5%. The School Board has general obligation bonds, Series 2004, totaling \$3,945,000 which matures March 1, 2029 with an interest rate of 3.6-5% and Series 2007, totaling \$4,375,000 which matures March 1, 2032 with an interest rate of 4.3-6%. The School Board also has general obligation bonds, 2003 Refunding, Series 2011, totaling 7,670,000 which matures on March 1, 2028 with an interest rate of 3.17%. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2012, the School Board's net bonded debt of \$14,001,818 (total bonded debt of \$16,305,000 less assets in debt service funds of \$2,303,182) was well below the legal limit of \$66,079,636 . For more detailed information, please refer to the Notes to the Financial Statement (Note 11).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The major changes anticipated in revenues for 2012-2013 are minimal. We will see a slight decrease in payments of indirect costs due to the loss of ARRA funding and the MFP will decrease some because of declining student enrollment. We expect this decline to be offset by attempts to contract with agencies to enroll drop-outs in alternative situations to assist them in receiving their diplomas. We expect expenditures to continue to increase due to health insurance premiums as well as increases in retirement contribution rates.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Ms. Diane Ferschoff, Business Manager, at the Morehouse Parish School Board, P. O. Box 872, Bastrop, Louisiana 71221-0872, telephone number (318) 281-5784.

BASIC FINANCIAL STATEMENTS:
GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

MOREHOUSE PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS

June 30, 2012

	Statement A
	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 6,630,507
Investments	78,716
Receivables (net)	2,942,803
Inventory	168,568
Deferred Charges	332,947
Investment in land and buildings	197,472
Capital assets:	
Land and construction in progress	319,013
Capital assets, net of depreciation	<u>23,927,619</u>
TOTAL ASSETS	<u>34,597,645</u>
LIABILITIES	
Accounts, salaries and other payables	3,786,062
Deferred revenue	42,307
Interest payable	211,583
Long-term liabilities	
Due within one year	1,287,616
Due in more than one year	<u>34,487,232</u>
TOTAL LIABILITIES	<u>39,814,800</u>
NET ASSETS	
Invested in capital assets, net of related debt	7,789,622
Restricted:	
Debt Service Fund	2,303,182
School Food Service	636,765
Capital Projects	439,242
Unrestricted	<u>(16,385,966)</u>
TOTAL NET ASSETS	<u><u>\$ (5,217,155)</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MOREHOUSE PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012**

Statement B

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		
<i>Governmental activities:</i>					
Instruction:					
Regular programs	\$ 22,084,849	\$ 0	\$ 181,174	\$ 0	\$ (21,903,675)
Special education programs	5,244,718		466,801		(4,777,917)
Other instructional programs	6,182,201		3,467,684		(2,714,517)
Support services:					
Student services	3,136,614		441,536		(2,695,078)
Instructional staff support	4,493,105		2,962,866		(1,530,239)
General administration	1,345,025		759,738		(585,287)
School administration	3,020,657		15,472		(3,005,185)
Business services	838,973		5,157		(833,816)
Plant services	3,769,524		33,471		(3,736,053)
Student transportation services	3,281,779		42,247		(3,239,532)
Central services	953,048		374,637		(578,411)
Food services	2,852,327	166,083	2,594,913		(91,331)
Interest on long-term debt	960,617				(960,617)
 Total Governmental Activities	 58,163,437	 166,083	 11,345,696	 0	 (46,651,658)
 General revenues:					
Taxes:					
Property taxes, levied for general purposes					6,271,507
Sales taxes, levied for general purposes					5,912,154
Grants and contributions not restricted to specific programs					
Minimum Foundation Program					27,638,092
Education Jobs Fund Grant					682,800
Interest and investment earnings					5,858
Miscellaneous					301,504
 Total general revenues					 40,811,915
 Changes in net assets					 (5,839,743)
 Net assets - beginning					 622,588
 Net assets - ending					 \$ (5,217,155)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)**

MOREHOUSE PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2012

	GENERAL	TITLE I	DEBT SERVICE
ASSETS			
Cash and cash equivalents	\$ 3,240,974	\$ 0	\$ 2,300,753
Investments	78,716	0	0
Receivables	717,088	1,035,912	3,815
Interfund receivables	1,432,835	0	0
Inventory	54,812	0	0
TOTAL ASSETS	5,524,425	1,035,912	2,304,568
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	2,930,737	453,498	1,386
Interfund payables	0	574,943	0
Deferred revenue	0	7,471	0
Total Liabilities	2,930,737	1,035,912	1,386
Fund Balances:			
Nonspendable	54,812	0	0
Restricted	0	0	2,303,182
Committed	1,069,062	0	0
Unassigned	1,469,814	0	0
Total Fund Balances	2,593,688	0	2,303,182
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,524,425	\$ 1,035,912	\$ 2,304,568

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

NONMAJOR		TOTAL	
GOVERNMENTAL			
\$	1,088,780	\$	6,630,507
	0		78,716
	1,185,988		2,942,803
	0		1,432,835
	113,756		168,568
	2,388,524		11,253,429
	400,441		3,786,062
	857,892		1,432,835
	34,836		42,307
	1,293,169		5,261,204
	78,920		133,732
	997,087		3,300,269
	19,348		1,088,410
	0		1,469,814
	1,095,355		5,992,225
\$	2,388,524	\$	11,253,429

Morehouse Parish School Board

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MOREHOUSE PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2012**

Statement D

Total fund balances - governmental funds \$ 5,992,225

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 50,215,270	
Depreciation expense to date	<u>(25,968,638)</u>	24,246,632

Deferred Charges from bond refunding 332,947

Investment in land and school building that is closed. 197,472

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at June 30, 2012 are:

Long-term liabilities		
Bonds payable	(16,345,000)	
QZAB notes payable	(112,010)	
Compensated absences payable	(1,291,369)	
OPEB payable	(18,026,469)	
Interest payable	<u>(211,583)</u>	
		<u>(35,986,431)</u>

Net Assets - Governmental Activities \$ (5,217,155)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MOREHOUSE PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2012**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 4,295,179	\$ 0	\$ 1,507,778
Sales and use	5,912,154	0	0
Interest earnings	4,196	0	1,351
Food services	0	0	0
Other	355,783	0	0
State sources:			
Equalization	27,546,765	0	0
Other	286,108	0	0
Federal sources	0	6,055,925	0
	<hr/>	<hr/>	<hr/>
Total Revenues	38,400,185	6,055,925	1,509,129
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	18,585,805	0	0
Special programs	4,045,561	0	0
Other instructional programs	1,988,202	2,811,061	0
Support services:			
Student services	2,335,997	187,084	0
Instructional staff support	1,180,939	2,205,917	0
General administration	424,488	577,220	100,465
School administration	2,590,160	0	0
Business services	758,190	0	0
Plant services	3,406,715	0	0
Student transportation services	2,599,113	10,045	0
Central services	446,643	264,598	0
Food services	413,826	0	0
Capital outlay	389,252	0	0
Debt service:			
Principal retirement	161,434	0	700,000
Interest and bank charges	74,569	0	651,512
	<hr/>	<hr/>	<hr/>
Total Expenditures	39,400,894	6,055,925	1,451,977
	<hr/>	<hr/>	<hr/>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	\$ (1,000,709)	\$ 0	\$ 57,152
	<hr/>	<hr/>	<hr/>

Statement E	
NONMAJOR GOVERNMENTAL	TOTAL
\$ 468,550	\$ 6,271,507
0	5,912,154
311	5,858
166,083	166,083
0	355,783
91,327	27,638,092
298,691	584,799
5,387,772	11,443,697
6,412,734	52,377,973
625,255	19,211,060
545,494	4,591,055
725,996	5,525,259
256,831	2,779,912
745,435	4,132,291
193,500	1,295,673
78,679	2,668,839
26	758,216
84,319	3,491,034
130,994	2,740,152
107,460	818,701
2,304,276	2,718,102
81,400	470,652
20,000	881,434
2,980	729,061
5,902,645	52,811,441
\$ 510,089	\$ (433,468)

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2012**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt bonds	\$ 0	\$ 0	\$ 7,775,000
Payments to escrow agent	<u>0</u>	<u>0</u>	<u>(7,723,948)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>51,052</u>
Net Change in Fund Balances	(1,000,709)	0	108,204
Fund Balances - Beginning	<u>3,594,397</u>	<u>0</u>	<u>2,194,978</u>
Fund Balances - Ending	<u><u>\$ 2,593,688</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,303,182</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E	
NONMAJOR GOVERNMENTAL	TOTAL
\$ 0	\$ 7,775,000
0	(7,723,948)
0	51,052
510,089	(382,416)
585,266	6,374,641
\$ 1,095,355	\$ 5,992,225

(CONCLUDED)

MOREHOUSE PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2012**

Statement F

Total net change in fund balances - governmental funds	\$ (382,416)
--------------------------------------------------------	--------------

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period:

Depreciation expense	\$ (1,628,588)	
Capital outlays	<u>470,652</u>	
Net capital outlays		(1,157,936)

Write off of the Collingston and Bonita School Buildings from Investment in Land	(45,806)
----------------------------------------------------------------------------------	----------

The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Receipt of bond proceeds	(7,775,000)
Repayment of bond, certificate of indebtedness and notes payable principal	8,002,002

Increase in OPEB liability	(5,229,469)
----------------------------	-------------

Governmental funds report the effects of deferred charges and similar items when debt is first issued, where as these amounts are deferred and amortized in the Statement of Activities	332,947
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used (\$570,613) exceeded the amounts earned (\$185,082) by \$385,531.	385,531
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

In the Statement of Activities reflects the effects of the disposition of capital assets during the year. The cost less the depreciation (net value) of the items disposed of during the year are not reflected in the fund balance.	(7,062)
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	<u>37,466</u>
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Change in net assets of governmental activities	<u><u>\$ (5,839,743)</u></u>
--------------------------------------------------------	-------------------------------------

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MOREHOUSE PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2012

	Statement G
	AGENCY FUND
ASSETS	
Cash and cash equivalents	\$ 294,898
Total assets	<u>294,898</u>
LIABILITIES	
Deposits due others	<u>294,898</u>
Total liabilities	<u>\$ 294,898</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2012

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Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Morehouse Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of seven members who are elected from seven districts for terms of four years.

The School Board operates twelve schools within the parish with a total enrollment of approximately 4,416 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of fixed assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General fund - the primary operating fund of the School Board accounts for all financial resources except those required to be accounted for in other funds.

Title I - This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2012

Debt Service - revenues received from ad valorem taxes and interest earnings are used to make principal and interest payments on bond indebtedness.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

School activity agency fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of indirect expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when the obligations are expected to be liquidated with expendable available financial resources.

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2012

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when all applicable eligibility requirements have been met and the resources are available.

Sales taxes are recognized when the underlying transaction occurs and the resources are available.

Entitlements and shared revenue (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible and accrual criteria are met.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. DEPOSITS AND INVESTMENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit amounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments are limited by LSA-R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2012

The School Board reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

E. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet.

F. INVENTORIES Inventories of the governmental fund type are recorded as expenditures when purchased, except for inventory of the school food service fund.

Inventory of the school food service (special revenue fund) consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditure when consumed. Unused commodities at June 30 are reported as deferred revenue. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture. In 2007, School Food Service also implemented an inventory for all paper products purchased which are recorded as expenditure when consumed.

G. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000 for all capital assets except intangibles. The capitalization threshold for intangibles is \$100,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	10 - 40 years
Furniture and equipment	3 - 10 years

H. DEFERRED REVENUES The School Board reports deferred revenues on its combined balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed and the revenue is recognized.

I. COMPENSATED ABSENCES All twelve-month employees earn from twelve to eighteen days of sick leave each year, depending on their length of service. All employees working on a nine-month basis earn ten days of sick leave each year. Nine-month employees who work during the summer receive an additional one day of sick leave for each four weeks of summer work. Sick leave may be accumulated and carried forward to succeeding years without limitation. Upon retirement or death, employees or their heirs are paid for the value of accumulated sick leave not to exceed twenty-five days at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2012

All twelve-month employees earn from ten to fifteen days of vacation leave each year, depending upon their length of service with the School Board. Twelve-month employees may accumulate and carry forward a maximum of fifteen days' vacation time to succeeding years. Any employee's vacation leave in excess of fifteen days is forfeited at year end without compensation. Upon separation of employment, all employees are paid for unused vacation leave.

The School Board's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The School Board uses approach B to calculate the accrued sick leave liability. Employees with 5 years of experience or more are included in the calculation.

J. LONG-TERM OBLIGATIONS For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

The School Board provides certain continuing health care benefits for its retired employees. The OPEB plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board. Expenditures are recorded as payments are made for health insurance premiums.

K. RESTRICTED NET ASSETS For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2012

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. All restricted net assets reported in the statement of net assets are restricted by enabling legislation.

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of either a policy of the School Board or motions were passed at a School Board meeting committing the funds. The motions passed are usually the result of budget revisions.

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board.

Unassigned: Fund balance that is the residual classification for the general fund.

M. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. SALES TAXES The Morehouse Parish School Board has three sales tax ordinances as follows:

The School Board has a one cent parish-wide sales and use tax as authorized in a special election held November 18, 1989. In accordance with the proposition approved by the voters of the parish, the net "revenues derived from said sales and use tax is to be dedicated and used solely for the purpose of providing funds for the payment of salaries of school employees in the Parish of Morehouse."

The School Board has a one half cent parish-wide sales and use tax. It was authorized in a special election held July 18, 1992. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is "to be dedicated and used for the purpose of acquiring, constructing, renovating, improving, equipping, furnishing, maintaining and operating public schools and school-related facilities in Morehouse Parish and for paying salaries and benefits for teachers and other personnel employed by the Morehouse Parish School Board." The tax was renewed in a special election held July 19, 2003 for a period of ten years ending September 30, 2014.

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An additional ½% sales tax was approved by the voters in a special election held July 19, 2003. The net revenues derived from this additional tax are “to be dedicated and used for acquiring, constructing, renovating, improving, equipping, furnishing, maintaining and operating public schools and school-related facilities in Morehouse Parish, and for paying salaries and benefits for teachers and other personnel employed by the Morehouse Parish School Board”. The new sales tax is effective for eleven years commencing on October 1, 2003 and ending on September 30, 2014.

O. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Appropriations in Individual Funds The following individual accounts and funds had actual expenditures over budgeted expenditures for the year ended June 30, 2012:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 39,281,451	\$ 39,400,894	\$ (119,443)

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Morehouse Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Morehouse Parish Tax Assessor and approved by the state of Louisiana Tax Commission. The Morehouse Parish Sheriff's Office bills and collects all property taxes for the School Board except for the property located in the city of Bastrop which is billed and collected by the city of Bastrop. Collections are remitted to the School Board monthly.

Property Tax Calendar

	<u>Parish (Except City of Bastrop)</u>	<u>City of Bastrop</u>
Tax bills mailed	November 2011	November 2011
Total taxes are due	December 31, 2011	December 31, 2011
Lien date	June 1, 2012	January 1, 2012
Penalties and interest are added	January 1, 2012	February 1, 2012
Tax sale date(s)	May 29, 2012	May 16, 2012

Morehouse Parish School Board
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Assessed values are established by the Morehouse Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	25% public service properties, excluding land
10% residential improvements	15% other property
15% electronic cooperative properties, excluding land	

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2008. Total assessed value was \$188,798,960 in calendar year 2011. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$36,509,244 of the assessed value in calendar year 2011.

State law requires the Morehouse Parish Sheriff's Department to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 and March 15 as noted in the above property tax calendar of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Morehouse Parish Sheriff's Department is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund and debt service fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. No receivable has been recorded for 2010 property taxes because the lien date is subsequent to year end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	5.22	5.22	Statutory
Maintenance and operation	6.45	6.45	2014
Special leeway maintenance and operations	6.01	6.01	2014
Special 1998 capital program tax	10.00	10.00	2013
East Morehouse School District	9.95	9.95	2014
General obligation bonds debt service	Variable	10.00	2028
District taxes:			
Beekman (District 12)	5.00	5.00	2013

NOTE 4 - DEPOSITS AND INVESTMENTS At June 30, 2012, the School Board has deposits as follows:

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Credit Risk: The School Board invests in certificates of deposit which do not have credit ratings. The School Board's policy does not address credit rate risk.

Morehouse Parish School Board
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Custodial credit risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. At year end, the School Board's carrying amount of deposits was \$7,004,121 (Statement A - Cash and cash equivalents of \$6,630,507, Investments of \$78,716 and Statement G - \$294,898) and the bank balance was \$10,274,516. Of the bank balance, \$2,927,744 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name. The remaining \$7,346,772 of the bank balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board's policy does not address custodial credit risk.

NOTE 5 - RECEIVABLES The receivables at June 30, 2012, are as follows:

Class of Receivables	General	Title I	Debt Service	Other Governmental	Total
Taxes:					
Ad Valorem	\$ 6,745	\$ -	\$ 3,815	\$ -	\$ 10,560
Sales Tax	517,369	-	-	-	517,369
Intergovernmental - grants:					
Federal	-	1,035,912	-	1,099,855	2,135,767
State	16,880	-	-	83,799	100,679
Other	176,094	-	-	2,334	178,428
Total	<u>\$ 717,088</u>	<u>\$ 1,035,912</u>	<u>\$ 3,815</u>	<u>\$ 1,185,988</u>	<u>\$ 2,942,803</u>

No allowance for doubtful accounts has been established as the School Board expects to collect the full balance.

NOTE 6 - CAPITAL ASSETS Capital assets balances and activity for the year ended June 30, 2012, are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Capital asset not being depreciated				
Land	\$ 319,013	\$ -	\$ -	\$ 319,013
Construction in progress	696,351	429,536	1,125,887	-
Total capital assets not being depreciated	<u>1,015,364</u>	<u>429,536</u>	<u>1,125,887</u>	<u>319,013</u>
Capital assets being depreciated				
Buildings	39,629,196	1,150,487	-	40,779,683
Furniture and equipment	9,322,902	16,516	222,844	9,116,574
Total capital assets being depreciated	<u>48,952,098</u>	<u>1,167,003</u>	<u>222,844</u>	<u>49,896,257</u>
Less accumulated depreciation				
Buildings	18,196,354	1,077,876	-	19,274,230
Furniture and equipment	6,359,478	550,712	215,782	6,694,408
Total accumulated depreciation	<u>24,555,832</u>	<u>1,628,588</u>	<u>215,782</u>	<u>25,968,638</u>
Total capital assets being depreciated, net	<u>24,396,266</u>	<u>(461,585)</u>	<u>7,062</u>	<u>23,927,619</u>
Governmental activities				
Capital assets, net	<u>\$ 25,411,630</u>	<u>\$ (32,049)</u>	<u>\$ 1,132,949</u>	<u>\$ 24,246,632</u>

Morehouse Parish School Board
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Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,077,326
Special programs	55,104
Other instructional programs	21,056
Student services	381
Instructional staff support	2,925
General administration	3,223
Business services	2,892
Plant services	91,316
Student transportation services	315,921
Central services	35,242
Food services	23,202
Total depreciation expense	<u>\$ 1,628,588</u>

NOTE 7 - RETIREMENT SYSTEMS

Plan description Substantially all School Board employees participate in either the Teachers' Retirement System or the Louisiana School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan B. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 25 years of service) or 2.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan B, normal retirement is at age 55 with at least 30 years of creditable service or at age 60 with at least ten years of creditable service. The retirement benefit formula is generally 2% times the years of creditable service times the retirees' average salary of the 36 highest successive months.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after ten years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

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Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804
(225) 925-6484

Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan B, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2012 are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.0%	23.7%
Plan B	5.0%	23.7%
Louisiana School Employees' Retirement System	7.5%/8%	28.6%

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan B, and LSERS for the year ended June 30, 2012, amounted to \$22,674,875, \$430,610 and \$1,829,888, respectively. Employer contributions for the year ended June 30, 2012, and each of the two preceding years are as follows:

<u>Fiscal year ended</u>	<u>TRS</u>	<u>LSERS</u>
June 30, 2010	\$3,733,264	\$289,399
June 30, 2011	4,863,852	426,218
June 30, 2012	5,494,730	537,086

The School Board paid 100% of the annually required contributions.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board OPEB plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Also, no stand-alone financial report was prepared. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board.

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Funding Policy - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a rate schedule. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of healthcare coverage.

The plan is currently financed on a “pay as you go basis”, with the School Board contributing \$3,241,872 for 489 retirees for the year ended June 30, 2012.

Annual Other Post Employment Benefit Cost and Liability - The School Board’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45 which was implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The total ARC for fiscal year 2012 is \$7,959,461 as set forth below:

Normal Cost	\$ 3,785,679
30-year UAL amortization amount	4,173,782
Annual required contribution (ARC)	<u><u>\$ 7,959,461</u></u>

The following table presents the School Board’s OPEB Obligation for fiscal year 2012, 2011 and 2010:

	2012	2011	2010	2009
Beginning Net OPEB Obligation July 1,	\$ 12,797,000	\$ 8,074,958	\$ 4,034,849	None
Annual required contribution	7,959,461	7,959,461	6,763,094	6,763,094
Interest on prior year Net OPEB Obligation	511,880	322,998	270,526	270,524
Adjustment to ARC	-	(484,602)	-	-
Annual OPEB Cost	8,471,341	7,797,857	7,033,620	7,033,618
Less current year retiree premiums	(3,241,872)	(3,075,815)	(2,993,511)	(2,998,769)
Increase in Net OPEB Obligation	5,229,469	4,722,042	4,040,109	4,034,849
Ending Net OPEB Obligation at June 30,	<u><u>\$ 18,026,469</u></u>	<u><u>\$ 12,797,000</u></u>	<u><u>\$ 8,074,958</u></u>	<u><u>\$ 4,034,849</u></u>

Utilizing the pay as you go method, the School Board contributed 38% of the annual post employment benefits cost during 2012, 39% during 2011, and 43% during 2010.

Funded Status and Funding Progress - Since the plan is not funded, the School Board’s entire actuarial accrued liability of \$69,548,047 was unfunded.

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The funded status of the plan, as determined by an actuary as of July 1, 2012, was as follows:

	2012
Actuarial accrued liability (AAL)	\$ 69,548,047
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 69,548,047
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 26,412,782
UAAL as a percentage of covered payroll	263.31%

The Schedule of Funding Progress supplementary information follows the notes. The Schedule presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2010, Morehouse Parish School Board actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% rate of return on investments and a long term inflation rate of 2.75%. The expected rate on increase in healthcare costs was based on Pre-Medicare and Medicare eligible beginning at 6.7% graduated down to an ultimate annual rate of 4.4%. The RP 2000 system table with floating Scale AA was used in making actuarial assumptions in regards to mortality rates.

The remaining amortization period at June 30, 2012 for other post employment benefits (OPEB) was twenty-seven years. The unfunded actuarial accrued liability is being amortized using a level dollar amortization factor. The unit credit actuarial cost method was used.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2012, are as follows:

	General	Title I	Debt Service	Other Governmental	Total
Salaries and withholding	\$2,759,885	\$424,328	\$ -	\$ 371,073	\$3,555,286
Accounts	170,852	29,170	1,386	29,368	230,776
Total	<u>\$2,930,737</u>	<u>\$453,498</u>	<u>\$ 1,386</u>	<u>\$ 400,441</u>	<u>\$3,786,062</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2012, employees of the School Board have accumulated and vested \$1,291,369 of employee leave benefits, including \$18,457 of salary related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60. Of the \$1,291,369 balance, \$570,613 is considered due within the next year and \$720,756 is considered long-term.

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NOTE 11 - AGENCY FUND - DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others for the year ended June 30, 2012, are as follows:

Balance, beginning	\$ 297,948
Additions	1,337,609
Deductions	<u>1,340,659</u>
Balance, ending	<u><u>\$ 294,898</u></u>

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2012:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Bonds payable:					
General Obligation debt	\$ 16,480,000	\$ 7,775,000	\$ 7,950,000	\$ 16,305,000	\$ 665,000
Certificate of indebtedness	60,000	-	20,000	40,000	20,000
QZAB notes payable	144,012	-	32,002	112,010	32,003
Other liabilities:					
Compensated absences	1,676,900	185,082	570,613	1,291,369	570,613
OPEB Liability	<u>12,797,000</u>	<u>8,471,341</u>	<u>3,241,872</u>	<u>18,026,469</u>	<u>-</u>
Governmental activities					
Long-term liabilities	<u><u>\$ 31,157,912</u></u>	<u><u>\$16,431,423</u></u>	<u><u>\$ 11,814,487</u></u>	<u><u>\$ 35,774,848</u></u>	<u><u>\$1,287,616</u></u>

In the past, the liability for compensated absences and OPEB has been liquidated by the general fund.

Individual obligation issues are as follows:

	Original Issue	Interest Rate	Range of Maturities	Principal Outstanding	Interest Outstanding
<u>General obligation</u>					
General Obligation Bonds					
Series 2003	\$ 9,800,000	3.85-5%	2003-2028	\$ 315,000	12,915
General Obligation Bonds					
Series 2004	4,900,000	3.6-5%	2004-2029	3,945,000	1,726,511
General Obligation Bonds					
Series 2007	5,070,000	4.3-6%	2007-2032	4,375,000	2,439,359
General Obligation Bonds					
Series 2011	7,775,000	3.17%	2012-2028	7,670,000	2,347,860
<u>Revenue</u>					
Certificate of indebtedness					
Series 2004	175,000	.1-5%	2004-2014	40,000	3,000
<u>Notes payable</u>					
QZAB note	440,040		2002-2015	112,010	-
Total				<u><u>\$ 16,457,010</u></u>	<u><u>\$ 6,529,645</u></u>

Morehouse Parish School Board
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The bonded debt is due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2013	\$ 685,000	\$ 633,771	\$ 1,318,771
2014	715,000	602,190	1,317,190
2015	725,000	572,964	1,297,964
2016	755,000	545,224	1,300,224
2017	785,000	516,517	1,301,517
2018-2022	4,435,000	2,125,747	6,560,747
2023-2027	5,405,000	1,238,900	6,643,900
2028-2032	2,840,000	294,332	3,134,332
Total	<u>\$ 16,345,000</u>	<u>\$ 6,529,645</u>	<u>\$ 22,874,645</u>

Also, in November 2001, the School Board entered into a Qualified Zone Academy Bond Program (QZAB), with the Louisiana Local Government Environmental Facilities and Community Development Authority. This program allows qualified public schools within the state of Louisiana to borrow monies for various projects authorized under the QZAB Regulations. In November 2001, the School Board received \$440,040 from Qualified Zone Academy Bonds. The Qualified Zone Academy Bond Program is a federal program offered to school districts to acquire interest-free debt for selected projects. The federal government covers all the interest on the bonds.

The annual requirements to amortize these notes outstanding as of June 30, 2012, are as follows:

Year Ending June 30,	QZAB Principal Payments
2013	\$ 32,003
2014	32,003
2015-2016	48,004
Total	<u>\$ 112,010</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term debt in excess of 35% of the assessed value of taxable property. At June 30, 2012, the statutory limit is \$66,079,636 and outstanding net bonded debt totals \$14,001,818.

ADVANCE REFUNDING The School Board issued \$7,775,000 in general obligation bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$7,250,000 in general obligation bonds. As a result, these general obligation bonds are considered defeased and the liability for those bonds has been removed from the general obligation long-term debt. The amount paid to the escrow agent exceeded the bonds refunded by \$472,537. This amount is being netted against the new bonds and amortized over the remaining life of the refunded bonds, which is shorter than the life of the new bonds. The School Board refunding resulted in a reduction of \$545,863 in future debt service payments over the next seventeen years for an economic benefit of \$427,076.

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2012

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Due from/to others:

Interfund receivable/payable:			
<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 1,432,835	Title I	\$ 574,943
		Other Governmental	857,892
Total	<u>\$ 1,432,835</u>		<u>\$ 1,432,835</u>

The general fund receivable from other governmental funds is to cover payroll expenses paid by the payroll and sales tax funds.

The purpose of the interfund assets/liabilities was to cover current-year expenditures on cost reimbursement programs until the reimbursement requisitions are deposited.

NOTE 14 - LITIGATION AND CONTINGENCIES

Litigation The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

Grant Disallowance The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The School Board's management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Tax Arbitrage Rebate Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

NOTE 15 - RISK MANAGEMENT The School Board is at risk for worker's compensation, property damage, liability and theft which are covered by insurance policies. There was no substantial reduction of insurance coverage during 2011.

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$37,996 for the 2011-2012 year. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

Morehouse Parish School Board
Notes to the Financial Statements
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NOTE 17 - ECONOMIC DEPENDENCY Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than ten percent of the audited entity's revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$27,638,092 which is 53% of total revenues.

NOTE 18 - FUND BALANCE CLASSIFICATION DETAILS The following are details of the fund balance classifications:

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Non spendable:				
Inventory and prepaid items	\$ 54,812	\$ -	\$ 78,920	\$ 133,732
Restricted for:				
Debt service	-	2,303,182	-	2,303,182
School Construction	-	-	439,242	439,242
Food Service	-	-	557,845	557,845
Committed to:				
Natural Disasters	1,000,000	-	-	1,000,000
Salaries and Benefits	69,062	-	-	69,062
Grant Funds	-	-	19,348	19,348
Total	<u>\$ 1,123,874</u>	<u>\$ 2,303,182</u>	<u>\$ 1,095,355</u>	<u>\$ 4,522,411</u>

NOTE 19 - INVESTMENTS IN LAND AND BUILDINGS The School Board has \$197,472 in investments in land and buildings. This is for Carver Elementary School, which is not currently in use. Carver school closed in the 2010-2011 year. Eastside School also closed during the 2010-2011 year, but is under consideration for possible use in the future. Therefore, Eastside is not classified as an investment in land and buildings.

NOTE 20 - CHANGE IN ACCOUNTING ESTIMATE For the 2011-2012 fiscal year, the number of years of experience used to calculate the compensated absences liability was changed from using five years of experience to ten years of experience.

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2012**

REQUIRED SUPPLEMENTARY INFORMATION

Morehouse Parish School Board

SCHEDULE OF FUNDING PROGRESS FOR POST EMPLOYMENT BENEFITS PLAN

June 30, 2012

		(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)
Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2009	7/1/2008	\$ -	\$ 68,694,031	\$ 68,694,031	0%	\$ 28,111,404	244.36%
6/30/2010	7/1/2008	-	68,694,031	68,694,031	0%	27,299,859	251.63%
6/30/2011	7/1/2010	-	69,548,047	69,548,047	0%	27,196,940	255.72%
6/30/2012	7/1/2010	-	69,548,047	69,548,047	0%	26,412,782	263.31%

**Morehouse Parish School Board
Budgetary Comparison Schedule**

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

TITLE I This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

MOREHOUSE PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2012**

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 354,397	\$ 3,594,397	\$ 3,594,397	\$ 0
Resources (inflows)				
Local sources:				
Ad valorem tax	4,237,670	4,284,618	4,295,179	10,561
Sales tax	5,791,400	5,849,830	5,912,154	62,324
Interest earnings	12,922	4,196	4,196	0
Other	730,754	494,533	355,783	(138,750)
State sources:				
Equalization	27,834,913	27,510,275	27,546,765	36,490
Other	278,901	251,598	286,108	34,510
Federal sources	0	0	0	0
Transfers from other funds	0	0	0	0
Amounts available for appropriations	39,240,957	41,989,447	41,994,582	5,135
Charges to appropriations (outflows)				
Instruction:				
Regular programs	18,601,926	18,527,849	18,585,805	(57,956)
Special programs	4,090,427	4,045,675	4,045,561	114
Other instructional programs	1,893,542	1,989,506	1,988,202	1,304
Support services:				
Student services	2,309,271	2,335,038	2,335,997	(959)
Instructional staff support	1,094,374	1,171,463	1,180,939	(9,476)
General administration	317,001	426,413	424,488	1,925
School administration	2,568,952	2,590,143	2,590,160	(17)
Business services	755,885	757,894	758,190	(296)
Plant services	3,179,534	3,407,237	3,406,715	522
Student transportation services	2,540,279	2,580,341	2,599,113	(18,772)
Central services	443,562	443,315	446,643	(3,328)
Food services	511,292	413,917	413,826	91
Community service programs	500	0	0	0
Capital outlay	244,250	356,657	389,252	32595
Debt service:				
Principal retirement	161,434	161,434	161,434	0
Interest and bank charges	74,569	74,569	74,569	0
Total charges to appropriations	38,786,798	39,281,451	39,400,894	(119,443)
BUDGETARY FUND BALANCES, ENDING	\$ 454,159	\$ 2,707,996	\$ 2,593,688	\$ (114,308)

MOREHOUSE PARISH SCHOOL BOARD

**TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2012**

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	\$ 0
Resources (inflows)				
Federal sources	6,055,925	6,055,925	6,055,925	0
Amounts available for appropriations	6,055,925	6,055,925	6,055,925	0
Charges to appropriations (outflows)				
Other instructional programs	2,811,061	2,811,061	2,811,061	0
Support services:				
Student services	187,084	187,084	187,084	0
Instructional staff support	2,205,917	2,205,917	2,205,917	0
General administration	577,220	577,220	577,220	0
Student transportation services	10,045	10,045	10,045	0
Central services	264,598	264,598	264,598	0
Total charges to appropriations	6,055,925	6,055,925	6,055,925	0
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 0	\$ 0	\$ 0

Morehouse Parish School Board
Notes to the Budgetary Comparison Schedules

A. BUDGETS

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. There were significant budget revisions during the year.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

MOREHOUSE PARISH SCHOOL BOARD

**Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2012**

Note B - Budget to GAAP Reconciliation - Explanation of differences
between budgetary inflows and outflows and GAAP revenues
and expenditures

	GENERAL FUND	TITLE I
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 41,994,582	\$ 6,055,925
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,594,397)	0
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>38,400,185</u>	<u>6,055,925</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	<u>39,400,894</u>	<u>6,055,925</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 39,400,894</u>	<u>\$ 6,055,925</u>

OTHER SUPPLEMENTARY INFORMATION

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

MOREHOUSE PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2012**

Exhibit 2

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 618,010	\$ 470,770	\$ 1,088,780
Receivables	1,184,828	1,160	1,185,988
Inventory	<u>113,756</u>	<u>0</u>	<u>113,756</u>
 TOTAL ASSETS	 <u>1,916,594</u>	 <u>471,930</u>	 <u>2,388,524</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	369,284	31,157	400,441
Interfund payables	856,361	1,531	857,892
Deferred revenue	<u>34,836</u>	<u>0</u>	<u>34,836</u>
 Total Liabilities	 <u>1,260,481</u>	 <u>32,688</u>	 <u>1,293,169</u>
 Fund Balances:			
Nonspendable	78,920	0	78,920
Restricted	557,845	439,242	997,087
Committed	<u>19,348</u>	<u>0</u>	<u>19,348</u>
 Total Fund Balances	 <u>656,113</u>	 <u>439,242</u>	 <u>1,095,355</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 1,916,594</u>	 <u>\$ 471,930</u>	 <u>\$ 2,388,524</u>

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2012

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 0	\$ 468,550	\$ 468,550
Interest earnings	0	311	311
Food services	166,083	0	166,083
State sources:			
Equalization	91,327	0	91,327
Other	298,691	0	298,691
Federal sources	5,387,772	0	5,387,772
	<hr/>	<hr/>	<hr/>
Total Revenues	5,943,873	468,861	6,412,734
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	494,011	131,244	625,255
Special programs	515,330	30,164	545,494
Other instructional programs	664,546	61,450	725,996
Support services:			
Student services	244,053	12,778	256,831
Instructional staff support	745,435	0	745,435
General administration	178,781	14,719	193,500
School administration	48,750	29,929	78,679
Business services	0	26	26
Plant services	11,269	73,050	84,319
Student transportation services	63,272	67,722	130,994
Central services	107,460	0	107,460
Food services	2,299,735	4,541	2,304,276
Capital outlay	0	81,400	81,400
Debt service:			
Principal retirement	0	20,000	20,000
Interest and bank charges	0	2,980	2,980
	<hr/>	<hr/>	<hr/>
Total Expenditures	5,372,642	530,003	5,902,645
	<hr/>	<hr/>	<hr/>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	\$ 571,231	\$ (61,142)	\$ 510,089

(Continued)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2012

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	571,231	(61,142)	510,089
FUND BALANCES (Deficit) - BEGINNING	84,882	500,384	585,266
FUND BALANCES - ENDING	<u>\$ 656,113</u>	<u>\$ 439,242</u>	<u>\$ 1,095,355</u>

(Concluded)

Morehouse Parish School Board

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**Morehouse Parish School Board
Nonmajor Special Revenue Funds**

TITLE II This program is designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

SPECIAL EDUCATION These grants to states assist them in providing a free appropriate public education to all children with disabilities.

PRESCHOOL These grants to states assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

ADULT EDUCATION This program was designed to improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

VOCATIONAL EDUCATION The purpose of these grants are to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

DRUG FREE - TITLE IV This program was designed to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) The purpose of this program is to provide grants to states, territories, or tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.

8G These grants are used to improve student academic achievement or vocational-technical skills. Other uses are the purchase of superior textbooks and providing support for teachers in critical shortage areas.

EDUCATIONAL EXCELLENCE This fund accounts for the tobacco settlement money received from the state.

RURAL EDUCATION ACHIEVEMENT This grant provides financial assistance to carry out activities to help improve the quality of teaching and learning.

EDUCATION JOBS This fund accounts for an appropriation under the American Recovery and Reinvestment Act of 2009. The U. S. Department of Education gave states this money to provide assistance in saving or creating education jobs for the 2010-2011 year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

MISCELLANEOUS FUNDS These include various small federal and state grants, such as Math and Science, and Fresh Fruits and Vegetables.

SPECIAL FEDERAL This fund accounts for special federal programs, such as Migrant EvenStart, ROTC and Enhancing Education Through Technology Grants.

SCHOOL FOOD SERVICE Through cash grants and food donations, the school food services fund assist in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2012

	TITLE II	SPECIAL EDUCATION	PRESCHOOL	ADULT EDUCATION
ASSETS				
Cash and cash equivalents	\$ 0	\$ 12,058	\$ 0	\$ 0
Receivables	73,026	189,267	14,098	99,701
Inventory	0	0	0	0
TOTAL ASSETS	73,026	201,325	14,098	99,701
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	22,985	113,104	376	0
Interfund payable	50,041	88,221	13,722	99,701
Deferred revenue	0	0	0	0
Total Liabilities	73,026	201,325	14,098	99,701
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Total Fund Balances	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 73,026	\$ 201,325	\$ 14,098	\$ 99,701

Exhibit 4

VOCATIONAL EDUCATION	DRUG FREE- TITLE IV	TANF	8 (g)	EDUCATIONAL EXCELLENCE	RURAL EDUCATION ACHIEVEMENT	EDUCATION JOBS
\$ 6,692	\$ 0	\$ 0	\$ 0	\$ 19,559	\$ 0	\$ 0
19,874	0	80,605	43,166	0	42,675	494,869
0	0	0	0	0	0	0
26,566	0	80,605	43,166	19,559	42,675	494,869
9,853	0	18,179	15,770	211	9,379	41,912
16,713	0	62,426	27,396	0	33,296	452,957
0	0	0	0	0	0	0
26,566	0	80,605	43,166	211	42,675	494,869
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	19,348	0	0
0	0	0	0	19,348	0	0
\$ 26,566	\$ 0	\$ 80,605	\$ 43,166	\$ 19,559	\$ 42,675	\$ 494,869

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2012

Exhibit 4

	MISCELLANEOUS FUNDS	SPECIAL FEDERAL	SCHOOL FOOD SERVICE	TOTAL
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 579,701	\$ 618,010
Receivables	0	12,243	115,304	1,184,828
Inventory	0	0	113,756	113,756
TOTAL ASSETS	<u>0</u>	<u>12,243</u>	<u>808,761</u>	<u>1,916,594</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	0	355	137,160	369,284
Interfund payable	0	11,888	0	856,361
Deferred revenue	0	0	34,836	34,836
Total Liabilities	<u>0</u>	<u>12,243</u>	<u>171,996</u>	<u>1,260,481</u>
Fund Balances:				
Nonspendable	0	0	78,920	78,920
Restricted	0	0	557,845	557,845
Committed	0	0	0	19,348
Total Fund Balances	<u>0</u>	<u>0</u>	<u>636,765</u>	<u>656,113</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 12,243</u>	<u>\$ 808,761</u>	<u>\$ 1,916,594</u>

(CONCLUDED)

Morehouse Parish School Board

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MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Change in Fund Balances
For the Year Ended June 30, 2012

	TITLE II	SPECIAL EDUCATION	PRESCHOOL	ADULT EDUCATION
REVENUES				
Local sources:				
Food services	\$ 0	\$ 0	\$ 0	\$ 0
State sources:				
Equalization	0	0	0	0
Other	0	26,051	0	32,720
Federal sources	466,120	1,088,579	27,840	83,986
Total Revenues	466,120	1,114,630	27,840	116,706
EXPENDITURES				
Current:				
Instruction:				
Regular programs	8,931	0	0	0
Special programs	0	446,713	16,968	0
Other instructional programs	3,340	25	0	112,707
Support services:				
Student services	0	238,980	0	0
Instructional staff support	406,547	312,318	8,133	0
General administration	44,635	104,240	2,664	3,999
School administration	0	0	0	0
Plant services	0	0	0	0
Student transportation services	0	12,354	75	0
Central services	2,667	0	0	0
Food services	0	0	0	0
Total Expenditures	466,120	1,114,630	27,840	116,706
Net Changes in Fund Balances	0	0	0	0
FUND BALANCES (Deficit) - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit 5

VOCATIONAL EDUCATION	DRUG FREE- TITLE IV	TANF	8 (g)	EDUCATIONAL EXCELLENCE	RURAL EDUCATION ACHIEVEMENT	EDUCATION JOBS
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	92,832	140,319	0	0
127,612	10,467	149,081	0	0	74,853	682,800
127,612	10,467	149,081	92,832	140,319	74,853	682,800
0	0	0	0	6,990	0	470,345
0	0	0	0	0	0	51,649
125,977	0	134,805	91,695	10,071	67,673	46,063
0	0	0	0	0	0	5,073
1,635	0	0	0	0	0	8,918
0	205	14,276	0	0	7,180	0
0	0	0	0	0	0	48,750
0	10,262	0	0	0	0	1,007
0	0	0	1,137	0	0	49,121
0	0	0	0	103,910	0	0
0	0	0	0	0	0	1,874
127,612	10,467	149,081	92,832	120,971	74,853	682,800
0	0	0	0	19,348	0	0
0	0	0	0	0	0	0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,348	\$ 0	\$ 0

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2012

Exhibit 5

	MISCELLANEOUS FUNDS	SPECIAL FEDERAL	SCHOOL FOOD SERVICE	TOTAL
REVENUES				
Local sources:				
Food services	\$ 0	\$ 0	\$ 166,083	\$ 166,083
State sources:				
Equalization	0	0	91,327	91,327
Other	0	6,769	0	298,691
Federal sources:	213,181	80,352	2,382,901	5,387,772
Total Revenues	213,181	87,121	2,640,311	5,943,873
EXPENDITURES				
Current:				
Instruction:				
Regular programs	2,995	4,750	0	494,011
Special Programs	0	0	0	515,330
Other instructional programs	0	72,190	0	664,546
Support services:				
Student services	0	0	0	244,053
Instructional staff support	516	7,368	0	745,435
General administration	237	1,345	0	178,781
School administration	0	0	0	48,750
Plant services	0	0	0	11,269
Student transportation services	0	585	0	63,272
Central services	0	883	0	107,460
Food services	209,433	0	2,088,428	2,299,735
Total Expenditures	213,181	87,121	2,088,428	5,372,642
Net Changes in Fund Balances	0	0	551,883	571,231
FUND BALANCES (Deficit) - BEGINNING	0	0	84,882	84,882
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 636,765	\$ 656,113

(CONCLUDED)

**Morehouse Parish School Board
Nonmajor Capital Projects Funds**

SCHOOL DISTRICT 12 CONSTRUCTION

The capital projects funds are used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

EAST MOREHOUSE PARISH TAX DISTRICT

The capital projects funds are used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 2012

Exhibit 6

	SCHOOL DISTRICT 12 CONSTRUCTION	EAST MOREHOUSE PARISH TAX DISTRICT	TOTAL
ASSETS			
Cash and cash equivalents	\$ 91,804	\$ 378,966	\$ 470,770
Receivables	0	1,160	1,160
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	91,804	380,126	471,930
	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries, and other payables	271	30,886	31,157
Interfund payables	0	1,531	1,531
	<hr/>	<hr/>	<hr/>
Total Liabilities	271	32,417	32,688
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Restricted	91,533	347,709	439,242
	<hr/>	<hr/>	<hr/>
Total Fund Balances	91,533	347,709	439,242
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 91,804	\$ 380,126	\$ 471,930
	<hr/>	<hr/>	<hr/>

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2012

Exhibit 7

	SCHOOL DISTRICT 12 CONSTRUCTION	EAST MOREHOUSE PARISH TAX DISTRICT	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 59,273	\$ 409,277	\$ 468,550
Interest earnings	50	261	311
Total Revenues	<u>59,323</u>	<u>409,538</u>	<u>468,861</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	4,394	126,850	131,244
Special programs	0	30,164	30,164
Other instructional programs	0	61,450	61,450
Support services:			
Student services	0	12,778	12,778
General administration	1,773	12,946	14,719
School administration	0	29,929	29,929
Business services	26	0	26
Plant services	1,497	71,553	73,050
Student transportation	0	67,722	67,722
Food services	0	4,541	4,541
Capital outlay	0	81,400	81,400
Debt service:			
Principal retirement	20,000	0	20,000
Interest and bank charges	2,980	0	2,980
Total Expenditures	<u>30,670</u>	<u>499,333</u>	<u>530,003</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	28,653	(89,795)	(61,142)
FUND BALANCES - BEGINNING	<u>62,880</u>	<u>437,504</u>	<u>500,384</u>
FUND BALANCES - ENDING	<u><u>\$ 91,533</u></u>	<u><u>\$ 347,709</u></u>	<u><u>\$ 439,242</u></u>

**Morehouse Parish School Board
Agency Funds**

SCHOOL ACTIVITIES AGENCY FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

MOREHOUSE PARISH SCHOOL BOARD

AGENCY FUNDS

**Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012**

Exhibit 8

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 297,948	\$ 1,337,609	\$ 1,340,659	\$ 294,898
	<u>297,948</u>	<u>1,337,609</u>	<u>1,340,659</u>	<u>294,898</u>
LIABILITIES				
Deposits due others	<u>297,948</u>	<u>1,337,609</u>	<u>1,340,659</u>	<u>294,898</u>
	<u>\$ 297,948</u>	<u>\$ 1,337,609</u>	<u>\$ 1,340,659</u>	<u>\$ 294,898</u>

MOREHOUSE PARISH SCHOOL BOARD

**SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2012**

Exhibit 9

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
H. V. ADAMS	\$ 11,224	\$ 39,663	\$ 46,054	\$ 4,833
MOREHOUSE JUNIOR HIGH	41,411	87,298	88,881	39,828
BASTROP HIGH	142,236	752,700	764,947	129,989
BEEKMAN	(1,934)	71,810	65,105	4,771
CHERRY RIDGE	7,191	43,419	47,119	3,491
DELTA HIGH	16,455	82,995	71,869	27,581
MOREHOUSE MAGNET SCHOOL	9,805	84,333	78,811	15,327
OAK HILL	7,595	53,883	58,645	2,833
PINE GROVE	12,230	64,210	70,708	5,732
SOUTH SIDE	51,450	56,103	47,209	60,344
BLA	<u>285</u>	<u>1,195</u>	<u>1,311</u>	<u>169</u>
TOTAL	<u>\$ 297,948</u>	<u>\$ 1,337,609</u>	<u>\$ 1,340,659</u>	<u>\$ 294,898</u>

Morehouse Parish School Board
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2012

Exhibit 10

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$200 per month, and the president receives an additional \$50 per month for performing the duties of his office.

<u>Board Member</u>	<u>Amount</u>
** Jeffrey S. Churchwell, President	\$ 2,700
Ricky Smith, Vice President	1,800
Karen Diel	2,400
* Ronald Vollmar, President	2,700
Robert Fenceroy	2,400
Michael Stephens	2,400
Louis Melton	2,400
Timika Farell	<u>600</u>
Total	<u>\$17,400</u>

* President as of January 1, 2012

** President until December 31, 2011



ALLEN, GREEN & WILLIAMSON, LLP

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Ernest L. Allen, CPA
(Retired) 1963 - 2000

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Morehouse Parish School Board, as of and for the year ended June 30, 2012, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated January 11, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

Management of the School Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School Board's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Boards' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

January 11, 2013



ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Independent Auditors' Report

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

Compliance

We have audited the compliance of Morehouse Parish School Board with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2012. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

As described in items 12-F1 and 12-F2 in the accompanying schedule of findings and questioned costs, the School Board did not comply with requirements regarding Cash Management and Period of Availability that are applicable to its Title I ARRA program. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the School Board complied in all material respects with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 12-F1 and 12-F2 to be material weaknesses.

The School Board's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School Board's response and, accordingly, we express no opinion in the response.

The School Board's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. We did not audit the School Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 11, 2013

Morehouse Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Exhibit 11

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Cash Assistance:			
School Breakfast Program	10.553	N/A	\$ 641,640
National School Lunch Program	10.555	N/A	1,469,511
Summer Food Program	10.559	N/A	157,477
Total Cash Assistance			
Non-Cash Federal Awards:			
Food Distribution (Commodities)	10.555	N/A	114,273
Total Child Nutrition Cluster			\$ 2,382,901
Fresh Fruit and Vegetable Program	10.582	N/A	209,433
Total United States Department of Agriculture			2,592,334
Passed Through Louisiana Community and Technical College System:			
Adult Education - State Grant Program	84.002	N/A	83,986
Passed Through Louisiana Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	28-12-T1-34, 28-11-TA-34 28-12-TA-34	4,327,856
Title I Grants to Local Educational Agencies- ARRA	84.389	28-09-A1-34	1,728,069
Total Title I Cluster:			6,055,925
Special Education Cluster:			
Grants to States (Part B)	84.027	28-12-B1-34	1,088,579
Preschool Grants	84.173	28-12-P1-34	27,156
Preschool ARRA	84.392	28-09-AP-34	684
Total Special Education Cluster			1,116,419
Vocational Education			
Basic Grants to States	84.048	28-12-02-34	77,612
Title II (Mathematics and Science Partnerships)	84.366	28-10-MP-34	3,748
Title II (Improving Teacher Quality)	84.367	28-12-50-34	466,120
Title IV (Safe and Drug-Free Schools - State Grant)	84.186	28-10-70-34	10,467
Rural Education Achievement Program (REAP)	84.358	28-11-RE-34, 28-12-RE-34	74,853
EETT Cluster:			
Enhancing Education Through Technology	84.318	28-10-49-34	3,363
Enhancing Education Through Technology-ARRA	84.386	28-09-59-34	10,983
Total EETT Cluster			14,346
Education Jobs - ARRA	84.410A	28-11-EK-34, 28-11-EI-34	682,800
Total United States Department of Education			8,586,276
			(Continued)

**Morehouse Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012**

Exhibit 11

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Temporary Assistance for Needy Families	93.558	28-12-36-34, 28-12-JS-34	199,081
United States Department of Defense			
Direct Programs			
Department of The Army			
ROTC	12.UNK	N/A	66,006
TOTAL FEDERAL AWARDS			<u>\$ 11,443,697</u>
			(Concluded)

Morehouse Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Morehouse Parish School Board. The School Board reporting entity is defined in note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

Title I	\$ 6,055,925
Non Major Governmental:	
Title II	466,120
Special Education	1,088,579
Preschool	27,840
Adult Education	83,986
Vocational Education	127,612
Drug Free – Title IV	10,467
TANF	149,081
Rural Education Achivement	74,853
Education Jobs	682,800
Miscellaneous Funds	213,181
Special Federal	80,352
School Food Service	2,382,901
Total	<u>\$ 11,443,697</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS AND LOANS OUTSTANDING The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2012

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were two significant deficiencies required to be disclosed by OMB Circular A-133. The significant deficiencies were considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was qualified.
- vi. The audit disclosed two finding which the auditor is required to report under OMB Circular A-133, Section .510(a).

- vii. The major federal programs are:

Title I Cluster:

Title I Grants to Local Educational Agencies	CFDA #84.010
Title I Grants to Local Educational Agencies - ARRA	CFDA #84.389

Special Education Cluster:

Grants to States (Part B)	CFDA #84.027
Preschool Grants	CFDA #84.173
Preschool Grants - ARRA	CFDA #84.392

Education Jobs	CFDA #84.410A
Temporary Assistance to Needy Families	CFDA #93.558
Title II (Improving Teacher Quality)	CFDA #84.367

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2012

PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: **12-F1** **Cash Management**

Identification of Federal Program and Award Year:

FEDERAL GRANTOR/

PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA NO.</u>	<u>AWARD YEAR</u>
-----------------------------------	-----------------	-------------------

United States Department of Education

Passed through La. Department of Education

Title I Cluster:

Title I Grants to Local Educational Agencies	CFDA #84.010	2012
----------------------------------------------	--------------	------

Title I Grants to Local Educational Agencies - ARRA	CFDA #84.389	2012
-----------------------------------------------------	--------------	------

Criteria or specific requirement: Federal regulation 2 CFR section 215.22 requires that when a school district is funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government.

Condition: In testing of 24 expenditures, it was found that 9 expenditures were requested for reimbursement before they were paid. There was \$737,331 in funds requested for reimbursement on 11/29/11 before services were performed. A vendor submitted invoices for services that would not be performed until after 12/31/11. Checks were written for these invoices and were held in the vault. The checks were then sent to the vendor as the services were performed.

Possible asserted effect (cause and effect):

Cause: Funding was requested for reimbursement before expenditures were actually paid by the School Board.

Effect: The School Board was not in compliance with the cash management requirement of the grant.

Recommendations to prevent future occurrences: Reimbursement requests should be reviewed to ensure that all expenditures are paid before any funds are requested for reimbursement.

Reference # and title: **12-F2** **Period of Availability**

Identification of Federal Program and Award Year:

FEDERAL GRANTOR/

PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA NO.</u>	<u>AWARD YEAR</u>
-----------------------------------	-----------------	-------------------

United States Department of Education

Passed through La. Department of Education

Title I Cluster:

Title I Grants to Local Educational Agencies	CFDA #84.010	2012
----------------------------------------------	--------------	------

Title I Grants to Local Educational Agencies - ARRA	CFDA #84.389	2012
-----------------------------------------------------	--------------	------

Criteria or specific requirement: Federal regulation 2 CFR sections 215.28 and 215.71 require that a school district shall liquidate all obligations incurred under the award not later than 90 days after the end of the funding period.

Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2012

PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Condition: In testing of 24 expenditures, there were 9 expenditures that were from after the period of availability, which ended on 12/31/11. All 9 checks were dated 11/28/11, however, they were held in the vault until the services were performed. The vendor invoiced \$668,201 in November 2011 and the School Board would send the checks to the vendor as services were performed. Only \$235,500 in services were performed before 12/31/11. Services for the remaining balance of \$432,701 were not performed until after 12/31/11.

Computation of Questioned Costs: There was \$668,201 invoices by the vendor up front and services were performed for only \$235,500 of that total before the end of the period of availability. For the remaining balance of \$432,701, the services were not performed until after 12/31/11, which is beyond the period of availability. The questioned costs are \$432,701.

Possible asserted effect (cause and effect):

Cause: A vendor was paid up front before services were performed and the services were not performed until after the period of availability had ended.

Effect: Title I funding was used to pay for expenditures beyond the period of availability.

Recommendations to prevent future occurrences: Expenditures should be properly budgeted and planned so that the expenditures will occur within the period of availability.

OTHER INFORMATION

Morehouse Parish School Board
Summary Schedule of Prior Year Audit Findings
June 30, 2012

Reference # and title: **11-F1** **Capital Assets**

Origination date: June 30, 2009.

Condition: We noted that none of the completed construction projects for 10-11 year were added to the capital assets listing. Also there were assets that were added to the listing as depreciable assets that were below the capital assets threshold of \$5,000 and an asset that was above the threshold yet not added to the listing as depreciable.

Corrective action taken: Additional training will be given to the capital asset clerk to correctly enter the addition of fixed assets to the listing. The business manager will help to train the clerk and monitor the reports.

Reference # and title: **11-F2** **Violation of State Bid Law**

Origination date: June 30, 2011.

Condition: While testing four purchases that were required to be bid per Louisiana Revised Statute, the following exception was noted:

- In the bid specifications of a special needs school bus, there were references to a specific brand/manufacturer with no mention of equivalent products being acceptable.

Corrective action taken: The specifications were given to the business manager by the transportation coordinator and the specifications were very specific. Even though it referenced a specific brand or manufacturer with no mention of equivalency, all brands would have been considered. All bids will be written in the future giving equal opportunity to any bidder with no specific brand being required.

Reference # and title: **11-F3** **Controls Over Fuel Depot and Fuel Charge Cards**

Origination date: June 30, 2011.

Condition: Through an external study contracted by the School Board there were several control issues noted with the usage of the fuel depot and the fuel charge cards. There were 10 out of 20 pad keys, which are used for access to the gasoline fuel pump, that were missing. For the diesel pump, there were 47 out of 100 diesel keys that were missing. There were no logs or documentation as to who the keys were assigned to. It was noted that there were no logs used to document and track the gasoline and diesel usage. Also it was noted that there are no policies specific to the use of the fuel depot.

Corrective action taken: A control system has been set up by a contracted CPA that uses logs to track the fuel charge cards and the diesel keys. The documentation is kept by the maintenance secretary and is monitored by the general foreman.

Morehouse Parish School Board
Summary Schedule of Prior Year Audit Findings
June 30, 2012

Reference # and title: **11-F4** **Early Intervening Earmarking**

Origination date: June 30, 2011.

Identification of Federal Program and Award Year:

FEDERAL GRANTOR/

<u>PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA NO.</u>	<u>AWARD YEAR</u>
------------------------------------------	-----------------	-------------------

<u>United States Department of Education</u>		
----------------------------------------------	--	--

Passed through La. Department of Education		
--------------------------------------------	--	--

Special Education Cluster:		
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IDEA Part B	84.027	2011
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IDEA Preschool	84.173	2011
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IDEA Part B – Recovery Act	84.391	2011
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IDEA Preschool – Recovery Act	84.392	2011
-------------------------------	--------	------

Condition: The Early Intervening maximum was exceeded by \$16,480.

Corrective action taken: The IDEA grant will be monitored by the special services supervisor and the grants management coordinator to make sure that all funding is within the 15% maximum allowed.

Morehouse Parish School Board
Corrective Action Plan for Current Year Audit Findings
June 30, 2012

Reference # and title: **12-F1** **Cash Management**

Identification of Federal Program and Award Year:

FEDERAL GRANTOR/

<u>PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA NO.</u>	<u>AWARD YEAR</u>
------------------------------------------	-----------------	-------------------

United States Department of Education

Passed through La. Department of Education

Title I Cluster:

Title I Grants to Local Educational Agencies	CFDA #84.010	2012
----------------------------------------------	--------------	------

Title I Grants to Local Educational Agencies - ARRA	CFDA #84.389	2012
-----------------------------------------------------	--------------	------

Condition: In testing of 24 expenditures, it was found that 9 expenditures were requested for reimbursement before they were paid. There was \$737,331 in funds requested for reimbursement on 11/29/11 before services were performed. A vendor submitted invoices for services that would not be performed until after 12/31/11. Checks were written for these invoices and were held in the vault. The checks were then sent to the vendor as the services were performed.

Corrective action planned: See attached letter from the School Board for their response to the finding.

Person responsible for corrective action:

Dr. George Noflin, Superintendent	Telephone: (318) 281-5784
Morehouse Parish School Board	Fax: (318) 283-3456
P. O. Box 872	
Bastrop, LA 71221-0872	

Reference # and title: **12-F2** **Period of Availability**

Identification of Federal Program and Award Year:

FEDERAL GRANTOR/

<u>PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA NO.</u>	<u>AWARD YEAR</u>
------------------------------------------	-----------------	-------------------

United States Department of Education

Passed through La. Department of Education

Title I Cluster:

Title I Grants to Local Educational Agencies	CFDA #84.010	2012
----------------------------------------------	--------------	------

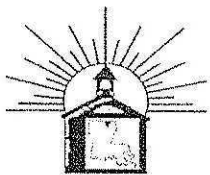
Title I Grants to Local Educational Agencies - ARRA	CFDA #84.389	2012
-----------------------------------------------------	--------------	------

Condition: In testing of 24 expenditures, there were 9 expenditures that were from after the period of availability, which ended on 12/31/11. All 9 checks were dated 11/28/11, however, they were held in the vault until the services were performed. The vendor invoiced \$668,201 in November 2011 and the School Board would send the checks to the vendor as services were performed. Only \$235,500 in services were performed before 12/31/11. Services for the remaining balance of \$432,701 were not performed until after 12/31/11.

Corrective action planned: See attached letter from the School Board for their response to the finding.

Person responsible for corrective action:

Dr. George Noflin, Superintendent	Telephone: (318) 281-5784
Morehouse Parish School Board	Fax: (318) 283-3456
P. O. Box 872	
Bastrop, LA 71221-0872	



MOREHOUSE PARISH SCHOOL BOARD

"Obtaining Excellence in Education Through Quality Teaching"

4099 Naff Avenue
Post Office Box 872
Bastrop, LA 71220
(318) 281-5784
Fax (318) 283-3456

DR. GEORGE NOFLIN, JR.
Superintendent

Ms. Tannika Gray Farrell, President
District 6

Mike Stephens, Vice President
District 5

Mrs. Kaven Did
District 1

Louis Melton
District 2

Ron Vallmar
District 3

Jeff Churchwell
District 4

Robert Fenceroy
District 7

January 11, 2013

Mrs. Margie Williamson
Allen, Green & Williamson, LLP
P. O. Box 6075
Monroe, LA 71211-6075

Dear Mrs. Williamson:

This letter is in response to the findings 12-F1 and 12-F2, titled *Cash Management* and *Period of Availability* respectively, for the 2012 financial audit. The first response to these matters is the fact that the current Superintendent, Dr. George Noflin, Jr., and Business Manager, Diane Ferschoff, were not participants in either of these transactions.

On November 15, 2011 an e-mail was received from the Louisiana State Department of Education indicating the need to spend the remaining Title I ARRA funds that expired with the 9/30/11 expenditures/obligations. Contracts with a service provider were completed prior to this deadline for services to be rendered throughout the 2012 fiscal year.

On November 28, 2011 the former business manager received an e-mail from the Louisiana Department of Education, Appropriations Controls Division, stating that all of the funds had to be **expended** no later than November 30, 2011. In order to expend the funds the decision was made to cut checks for the remainder of the contractual agreement and hold the checks until such time as the services were rendered.

A waiver had been requested by the Louisiana Department of Education to extend the period of availability for the Title I ARRA funds. Morehouse Parish School Board was included in this waiver request. In February, 2012 notification was sent out to all business managers notifying them that a waiver had been granted. The Department of Education memorandum indicated that the funds had to be spent between October 1, 2011 and December 15, 2011 (the date the waiver was signed). The memorandum states that the waiver was granted "to extend to September 30, 2012 the period in which the FY 2009 State-administered ESEA funds for the programs listed above may be obligated."

It is our contention that because the waiver was granted, our school district should have been included in the waiver, therefore meeting the deadline of September 30, 2012 for expending all funding. We respectfully request a full review of the time-line established by

the Louisiana Department of Education and our eligibility to be included in the waiver based upon the above information.

Sincerely,

A handwritten signature in cursive script, reading "George Noflin, Jr.", written over a horizontal line.

Dr. George Noflin, Jr.
Superintendent

A handwritten signature in cursive script, reading "Diane Ferschoff", written over a horizontal line.

Diane Ferschoff
Business Manager



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

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Jaunicia Mercer, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Morehouse Parish School Board, Bastrop, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

Comment: No exceptions were noted as result of applying agreed upon procedures.

3. We reconciled the combined total of principals and assistant principals per schedule "Experience of Public Principals and Full-time Teachers" to the combined total of principals and assistant principals per this schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

Comment: No exceptions were noted as result of applying agreed upon procedures.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: One exception was noted as a result of applying agreed upon procedures where the teacher's years of experience reported on the PEP report did not agree to the teacher's personnel file.

Manager's Response: Every effort is made to ensure that all documentation regarding employee experience is placed in the file. However, former employees have not always been thorough in the completion of their tasks in ensuring the files contain all necessary documentation. We will obtain the necessary information to complete the files cited and will ensure going forward that all personnel files contain complete documentation records.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as result of applying agreed upon procedures.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as result of applying agreed upon procedures.

The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as result of applying agreed upon procedures.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Morehouse Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 11, 2013

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2012**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 14,070,388	
Other Instructional Staff Activities	1,162,060	
Instructional Staff Employee Benefits	8,267,158	
Purchased Professional and Technical Services	57,614	
Instructional Materials and Supplies	822,876	
Instructional Equipment	0	
Total Teacher and Student Interaction Activities		\$ 24,380,096
Other Instructional Activities		150,907
Pupil Support Services	2,354,775	
Less: Equipment for Pupil Support Services	0	
Net Pupil Support Services		2,354,775
Instructional Staff Services	1,143,122	
Less: Equipment for Instructional Staff Services	0	
Net Instructional Staff Services		1,143,122
School Administration	2,589,897	
Less: Equipment for School Administration	0	
Net School Administration		2,589,897
Total General Fund Instructional Expenditures (Total of Column B)		30,618,797
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		40,764
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		787,195
Renewable Ad Valorem Tax		3,855,580
Debt Service Ad Valorem Tax		1,507,778
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		120,954
Sales and Use Taxes		5,912,154
Total Local Taxation Revenue		12,183,661
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		98,069
Earnings from Other Real Property		8,926
Total Local Earnings on Investment in Real Property		106,995
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		71,448
Revenue Sharing - Other Taxes		121,548
Revenue Sharing - Excess Portion		
Other Revenue in Lieu of Taxes		
Total State Revenue in Lieu of Taxes		192,996
Nonpublic Textbook Revenue		8,700
Nonpublic Transportation Revenue		0

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Education Levels of Public School Staff
As of October 1, 2011

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1.00	0.2820	-	-	-	-		
Bachelor's Degree	204.02	57.6140	20.00	5.65	-	-		
Master's Degree	78.99	22.3070	3.00	0.85	5.00	1.4120		
Master's Degree + 30	23.10	6.5230	-	-	13.00	3.6710		
Specialist in Education	3.00	0.8470	-	-	1.00	0.2820		
Ph. D. or Ed. D.	1.00	0.2820	-	-	1.00	0.2820		
Total	311.11	87.8550	23.00	6.4950	20.00	5.6470	-	-

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2012

Type	Number
Elementary	8
Middle/Jr. High	2
Secondary	1
Combination	0
Total	11

Note: Schools opened or closed during the fiscal year are included in this schedule.

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2011

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals			1.00	2.00		1.00	5.00	9.00
Principals				2.00	1.00	3.00	5.00	11.00
Classroom Teachers	36.00	44.00	85.99	41.00	43.98	36.16	46.98	334.11
Total	36.00	44.00	86.99	45.00	44.98	40.16	56.98	354.11

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2012

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	47,206	46,859
Average Classroom Teachers' Salary Excluding Extra Compensation	46,151	45,833
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	333.66170	318.47610

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Class Size Characteristics
As of October 1, 2011

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	63.2	487	35.1	270	1.7	13	-	-
Elementary Activity Classes	14.8	114	9.6	74	0.8	6	-	-
Middle/Jr. High	23.5	181	4.0	31	-	-	-	-
Middle/Jr. High Activity Classes	10.9	84	-	-	-	-	-	-
High	39.4	303	16.9	130	1.8	14	-	-
High Activity Classes	12.5	96	0.6	5	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Louisiana Educational Assessment Program (LEAP)
 For the Year Ended June 30, 2012

District Achievement Level	English Language Arts						Mathematics					
Results	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	11	3	6	2	6	1	19	5	12	3	8	2
Mastery	53	14	44	12	37	9	59	15	52	15	56	13
Basic	199	51	167	47	181	43	207	53	165	46	207	49
Approaching Basic	88	23	108	31	122	29	79	20	95	27	96	23
Unsatisfactory	37	10	29	8	77	18	26	7	31	9	58	14
Total	388	100	354	100	423	100	390	100	355	100	425	101

District Achievement Level	Science						Social Studies					
Results	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	15	4	3	1	5	1	3	1	6	2	3	1
Mastery	43	11	23	6	32	8	42	11	28	8	26	6
Basic	170	43	137	38	160	38	174	44	181	51	203	48
Approaching Basic	121	31	139	39	157	37	106	27	82	23	109	26
Unsatisfactory	42	11	55	15	72	17	67	17	58	16	85	20
Total	391		357	99	426	101	392	100	355	100	426	101

District Achievement Level	English Language Arts						Mathematics					
Results	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	11	3	5	2	1	0	7	2	4	1	2	1
Mastery	41	12	58	19	37	12	15	4	10	3	6	2
Basic	137	41	131	44	145	46	144	43	153	51	141	45
Approaching Basic	127	38	95	32	112	35	107	32	85	28	94	30
Unsatisfactory	19	6	12	4	21	7	62	19	49	16	72	23
Total	335	100	301	101	316	100	335	100	301	99	315	101

District Achievement Level	Science						Social Studies					
Results	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	7	2	3	1	0	0	5	1	2	1	0	0
Mastery	34	10	52	17	29	9	26	8	36	12	26	8
Basic	103	31	102	34	112	35	150	45	130	43	130	41
Approaching Basic	135	40	100	33	122	38	100	30	95	32	98	31
Unsatisfactory	57	17	43	14	57	18	54	16	37	12	66	21
Total	336	100	300	99	320	100	335	100	300	100	320	101

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced			1	0	2	1			20	8	17	7
Mastery			22	9	26	11			30	13	33	14
Basic			95	40	94	41			102	43	108	47
Approaching Basic			84	35	87	38			42	18	38	16
Unsatisfactory			35	15	22	10			44	18	36	16
Total			237	99	231	101			238	100	232	100

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	8	4	3	2	1	0	5	3	4	2	2	1
Mastery	32	16	24	13	24	11	30	15	18	9	22	10
Basic	70	35	82	43	87	40	83	42	100	52	125	58
Approaching Basic	59	30	47	24	66	30	57	29	42	22	46	21
Unsatisfactory	31	16	36	19	39	18	25	13	28	15	22	10
Total	200	100	192	101	217	99	200	100	192	100	217	100

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

IOWA and iLEAP Tests
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0	9	2	12	3	5	1
Mastery	30	8	44	11	32	8	34	9
Basic	148	37	167	42	153	39	156	39
Approaching Basic	141	36	114	29	145	37	121	31
Unsatisfactory	78	20	63	16	54	14	80	20
Total	397	101	397	100	396	101	396	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	0	5	2	4	1	0	0
Mastery	36	13	35	12	38	13	17	6
Basic	122	43	137	49	116	41	144	51
Approaching Basic	96	34	65	23	96	34	67	24
Unsatisfactory	27	10	40	14	28	10	54	19
Total	282	100	282	100	282	99	282	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	6	2	5	1	5	1	7	2
Mastery	48	14	39	12	50	15	31	9
Basic	183	54	179	53	143	42	152	45
Approaching Basic	86	25	65	19	121	36	107	32
Unsatisfactory	16	5	51	15	20	6	42	12
Total	339	100	339	100	339	100	339	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	8	2	9	3	5	2	0	0
Mastery	41	13	34	10	40	12	40	12
Basic	184	57	171	52	156	48	182	56
Approaching Basic	80	25	70	21	100	31	69	21
Unsatisfactory	12	4	42	13	24	7	33	10
Total	325	101	326	99	325	100	324	99

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0	17	6
Mastery	33	11	32	11
Basic	146	49	151	51
Approaching Basic	105	35	56	19
Unsatisfactory	15	5	43	14
Total	299	100	299	101

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

IOWA and iLEAP Tests
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	1	17	4	8	2	9	2
Mastery	37	10	33	9	46	12	39	10
Basic	178	46	197	51	161	42	178	46
Approaching Basic	101	26	75	20	107	28	83	22
Unsatisfactory	63	16	61	16	61	16	74	19
Total	383	99	383	100	383	100	383	99

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	3	1	6	2	7	2	3	1
Mastery	34	10	27	8	33	10	27	8
Basic	161	49	142	43	121	37	146	44
Approaching Basic	99	30	78	23	127	38	103	31
Unsatisfactory	34	10	79	24	43	13	52	16
Total	331	100	332	100	331	100	331	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0	13	5	3	1	8	3
Mastery	28	10	18	7	31	11	17	6
Basic	148	55	146	54	138	51	105	39
Approaching Basic	77	28	52	19	79	29	76	28
Unsatisfactory	17	6	41	15	20	7	65	24
Total	271	99	270	100	271	99	271	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	10	3	10	3	5	2	4	1
Mastery	28	8	20	6	24	7	20	6
Basic	186	56	163	49	136	41	139	42
Approaching Basic	87	26	83	25	121	36	102	31
Unsatisfactory	22	7	56	17	47	14	68	20
Total	333	100	332	100	333	100	333	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	3	1	22	6	9	2	1	0
Mastery	54	15	70	19	47	13	51	14
Basic	144	40	138	38	143	39	150	41
Approaching Basic	97	27	76	21	109	30	84	23
Unsatisfactory	66	18	58	16	56	15	78	21
Total	364	100	364	100	364	100	364	100

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

IOWA and iLEAP Tests
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	5	2	13	5	4	1	0	0
Mastery	20	7	23	8	25	9	16	6
Basic	130	47	122	44	112	40	131	47
Approaching Basic	85	31	69	25	103	37	77	28
Unsatisfactory	37	13	51	18	34	12	53	19
Total	277	100	278	100	278	100	277	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	3	1	7	2	3	1	12	3
Mastery	28	8	36	10	26	7	19	5
Basic	174	50	174	49	139	39	126	36
Approaching Basic	115	33	63	18	138	39	125	36
Unsatisfactory	31	9	72	20	46	13	69	20
Total	351	100	352	100	352	100	351	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	4	2	10	4	5	2	6	2
Mastery	26	10	25	10	39	15	21	8
Basic	131	51	133	52	101	39	105	41
Approaching Basic	86	33	66	26	82	32	78	30
Unsatisfactory	11	4	23	9	30	12	47	18
Total	258	100	257	100	257	100	257	100

District Achievement Level Results	English Language Arts		Mathematics	
	2012		2012	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced				
Mastery				
Basic				
Approaching Basic				
Unsatisfactory				
Total				